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MAR-6 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

March 6, 1998

Magalie Roman Salas, Esq.
Secretary
Federal Communications Commission
1919 M Street, NW Room 200
Washington, DC 20554

RE: *Ex parte* notification

- 97-1.5.5 (DA), *Petition For Forbearance for Broadband Personal Communications Services*
- *WT Docket No. 96-6, Flexible Offering of CMRS (Regulation of Fixed Wireless)*
- *CC Docket No. 96-45, Universal Service*
- *Clarification of the Commission's Rules on Interconnection Between LECs and Paging Carriers (CCB/CPD 97-24) (SWBT Clarification Request)*
- *Local Competition/Interconnection (CC Docket Nos. 96-98 and 95-185)*

Dear Ms. Salas:

On Friday morning, March 6, 1998, Alan Ciamporzero, Chief of Staff, Mark J. Golden, Senior Vice President, Industry Affairs and Robert L. Hoggarth, Esq., Senior Vice President, Paging & Narrowband, of the Personal Communications Industry Association ("PCIA"), met with representatives of the FCC's Wireless Telecommunications Bureau, Commercial Wireless Division. Participating in the meeting from the Commission were Steve Weingarten, Jeanine Poltronieri, Jeff Steinberg, Diane Conley, David Kretch, Pieter van Leeuwen and Ramona Melson. This meeting was at the request of Wireless Telecommunications Bureau staff to discuss PCIA's *Agenda For a Wireless America* (attached)

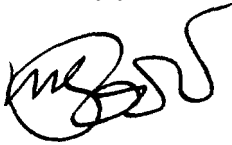
In the course these discussions, PCIA explained its position, as set out in written comments, on promoting competition by: reducing the size of the Universal Service Fund in order to reduce the burden of contribution and correct misleading economic signals inhibiting the competitiveness of alternatives to wireline local service; enforcing LEC-CMRS interconnection obligations; PCIA's pending *Petition for Forbearance* from mandatory resale, TOCSIA, Section 2 14 tariff notifications, and Sections 201/202; and new technology applications and the treatments of services as mobile.

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Pursuant to §1.1206(b) of the Commission's rules, two copies of this letter are hereby filed with the Secretary's office and a copy of this filing is being sent today to the FCC staff members present during the meeting.

Kindly refer questions in connection with this matter to me at 703-739-0300.

Sincerely yours,,

A handwritten signature in black ink, appearing to be 'MJG', enclosed within a circular scribble.

Mark J. Golden, CAE
Senior Vice President, Industry Affairs

cc: Steve Weingarten
Jeanine Poltronieri
Jeff Steinberg
Diane Conley
Pieter van Leeuwen
David Kretch
Ramona Melson



enda

WIRELESS AMERICA

Fair Interconnection

Network Development

Network Coordination

Long Term Spectrum Planning

Future International Opportunities



Personal
Communications
Industry
Association

"The Voice of Wireless Communications"

NEWS

http://www.pcia.com

FOR IMMEDIATE RELEASE

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PCIA Unveils "Agenda for a Wireless America" *-- Six-Point Plan Would Lead to Direct Competition with Wireline Local Loop --*

Alexandria, Va., Feb. 10, 1998 -- Saying the wireless telecommunications industry is the **only** viable choice for real competition to traditional **wireline** telephony, Personal Communications Industry Association (PCIA) President Jay Kitchen today unveiled a six-point "Agenda for a Wireless America," designed to make direct competition a reality.

"**Local** telephony competition is in trouble," Kitchen said. "Across the country, decision-makers and consumers are becoming increasingly **frustrated** with the slow pace of developing alternatives to the incumbent local service providers.

"Why is competition in trouble? Because it is extremely expensive to build redundant **wireline** networks, and **in** many areas the current **wireline** service already is priced at or below cost.

"**Wireline** telephony simply cannot offer real competition outside of urban areas. But wireless can, and with some assistance **from** lawmakers and regulators, wireless will be the alternative to the **wireline** local loop."

PCIA's Agenda for a Wireless America is composed of six key points -- all of which, according to Kitchen, must be accounted for by lawmakers and regulators to ensure local competition flourishes:

Wireless Tax Reform

"Washington and state and local governments across the country have targeted wireless as a major revenue source with overly burdensome, and in many cases unjust, taxation. That's wrong.

"We believe the direct taxes and indirect public policy assessments that already exist add somewhere between 40 and 50 percent to consumer costs, and everyday new taxes are proposed that will further hinder our competitive ability.

"We are conducting research on the corrosive effects on competition of these assessments. PCIA will vigilantly fight to ensure that the wireless industry and our customers do not shoulder excessive tax burdens imposed by cash-starved bureaucracies."

(more)

PCIA's Agenda for a Wireless America

Feb. 10, 1998

Page Two

Fair Interconnection

"The cornerstone of competition is true and fair interconnection agreements for all CMRS providers, PCIA will be there every step of the way to fight for strong federal oversight of interconnection to ensure that competition thrives."

Infrastructure Development

"The wireless industry must be diligent in finding win-win solutions to develop the infrastructure needed to provide ubiquitous nation-wide coverage.

"Localities have legitimate rights to expect that **infrastructure** development occurs in a reasonable manner. PCIA is **leading** the industry by providing innovative solutions, **like** the Site Search Clearinghouse, to protect both local concerns and wireless' **infrastructure** needs.

"The wireless industry wants to be, and we want local **governments** and current and **potential customers** to view us as, good corporate citizens. We will continue to communicate that message to Congress, the FCC and local decision-makers everywhere as we seek to protect the common-ground that was struck in the Telecom Act on this issue."

Long-Term Spectrum Planning

"An essential element of being the viable alternative to **wireline** is to ensure that in ten or 20 years wireless can provide, at a minimum, the same services as **wireline** -- including **high-speed** data and Internet access, full motion video and more.

"To do that, PCIA is leading the charge for rational spectrum planning at the FCC, in Congress and at WRC '99. We must prepare now to ensure that third generation, and then fourth generation technologies, can be delivered to market without delays."

Network Coordination

- "There are many issues that must be resolved to ensure interoperability of networks. A prime example of this is numbering.

"Several areas around the country are facing number exhaust. We are working to resolve each of the issues -- rate center consolidation, area code overlays, portability and pooling -- related to this critical problem in a comprehensive manner."

(more)

PCIA's Agenda for a Wireless America

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Foster International Opportunities

“The wireless industry will become even healthier and stronger if we can take advantage of new trade opportunities as countries around the world modernize their telecommunications infrastructure, and in some cases, simply leap-frog **wireline** altogether.

“To make that happen, we need to make certain of two things: First, we need to continue to develop partnerships with business and government leaders around the world. In this regard, PCIA's international shows are paramount to creating bridges to the international marketplace for the U.S. wireless industry.

“Second, American trade agreements must have conditions that are favorable to the export of our advanced technologies. PCIA will be working with Congress as it considers trade legislation and fast-track authority.

“PCIA encourages everyone in the wireless industry to join us in promoting the Agenda for a Wireless America. If we are united in working toward these goals, wireless will become the real competitor to the **wireline** local loop.”

Wireless

February 16, 1998

WEEK

www.wirelessweek.com

PCIA Outlines Agenda *USF, Buildouts Top Lobbying List*

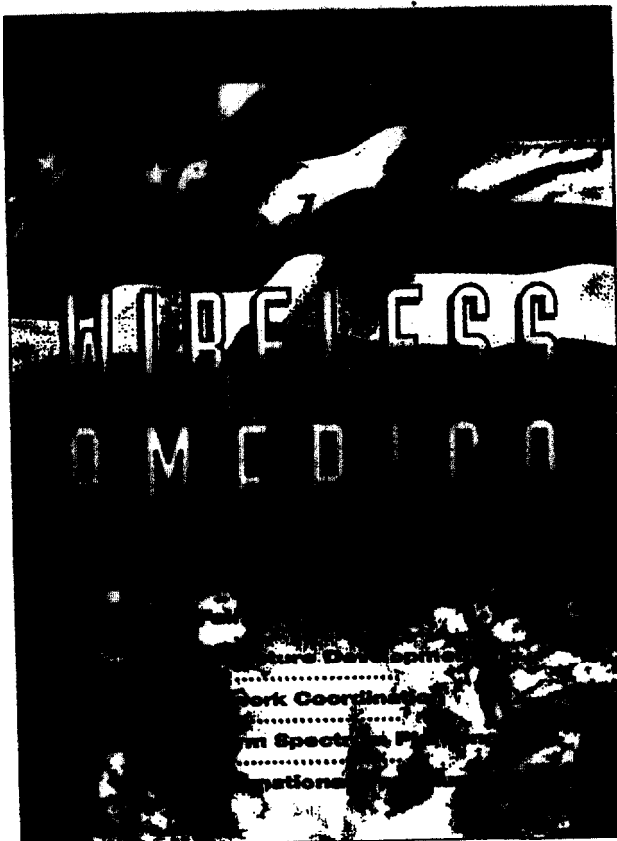
By Edward Warner

WASHINGTON—Having expanded its lobbying operation in recent months, the Personal Communications Industry Association last week released its “Agenda for Wireless America,” the objectives its lobbying should accomplish.

The move couldn’t come at a better time. PCIA aims to challenge what it calls unfunded federal mandates. Last week FCC Chairman Bill Kennard said he thinks the federal universal service fund should grow larger. Yet one state, Missouri, created its own USE Universal service is a particular thorn in the side of PCIA’s paging carrier members, requiring them to contribute but denying them its subsidies.

The PCIA agenda also seeks to pro-

continued on page 8



PCIA released its new lobbying campaign, “Agenda for a Wireless America.”

PCIA from page 1

more network buildouts. On Capitol Hill, anti-tower legislators are circulating a petition to halt FCC proceedings that would restrict local tower-siting powers. At least six congressmen, including Rep. Bob Goodlatte, R-Va., Jim

Moran, R-Va., and Peter DeFazio, D-Ore., have signed the petition. The agenda also wants the industry protected from anti-wireless solutions to phone number scarcity, schemes such as new "overlay" area codes. Last week, wireless members of a numbering advisory committee questioned

New York's overlay plan. PCIA having panned Connecticut's plan for a wireless-specific overlay the week before.

Of any of the unfunded mandates on the personal communications services industry, the most pressing may be the Communications Assistance to Law



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Enforcement Act, which has an October compliance deadline and provides no reimbursement for the compliance costs of PCS. The CALEA compliance standard was only established late last year, and the FBI still says it offers too few new wire-tapping functions.

The bureau wants 11 additional and costly functions added and, in a Feb. 9 letter to PCIA, Steve Colgate, one of the Department of Justice leaders the industry had looked to for help, backed the bureau's view. Of the 11 items, no more than two are outside the scope of CALEA and the rest are legitimate, said Colgate, assistant attorney general for administration.

Kitchen said he wants an outside lawyer's opinion. Although he met with FBI Director Louis Freeh, Kitchen said there's "a lot of unfinished business" regarding CALEA, including how the paging industry would comply.

To beef up its lobbying, PCIA last year allocated \$400,000, more than 10 percent of member dues, and signed with several heavyweight local consultants, including former Congressman Jack Fields. It also created a new position, senior vice president for government affairs, and hired the former chief FCC lobbyist for Pacific Telesis, Alan Ciamporcero. Both he and Kitchen say the group has been calling on congressmen and working to form alliances.

This month, the 1996 Telecommunications Act celebrated its second anniversary, but the FCC also ruled that PCS represented insufficient local competition for BellSouth to enter the long-distance business. Ciamporcero predicted PCS won't "be the [FCC] excuse for granting" long-distance entry to any Bell company for at least three years. Building on this, Kitchen said the PCIA's wireless agenda could speed the pace at which PCS or wireless local loop service become true local competition. For this to happen, Kitchen continued, the FCC must enforce its existing wireless interconnection rules, which have been upheld on appeal, and assert FCC pre-eminence in regulating WLL, rather than let it fall into the domain of states. As a result of a 1993 law, "the FCC has clear authority over wireless," Ciamporcero said.

The universal service subsidy system, he added, could also boost WLL's prospects if basic phone service were put out to bid. ■

■ New wireless agenda

PCIA underscores need to make wireless competitive

BY DEBRA WAYNE

WASHINGTON—The Personal Communications Industry Association launched its "Agenda for a Wireless America" aimed at urging regulators and legislators at the local, county, state and federal levels to focus their efforts on smoothing the industry's path toward full competition.

The program, unveiled Feb. 10 by PCIA President Jay Kitchen, is based on six points that need to be addressed by lawmakers to ensure that wireless communications moves forward as a viable alternative to traditional wireline services. "Local telephony competition is in trouble," he said. "Across the country, decision makers and consumers are becoming increasingly frustrated with the slow pace of developing alternatives to the incumbent local service providers. Why is competition in trouble? Because it is extremely expensive to build redundant wireline networks and, in many areas, the current wireline service already is priced at or below cost."

PCIA contends that wireline operators will continue to concen-

trate on saving urban areas rather than footing the bill—even with universal-service subsidies—to build out into unserved or under-served areas, areas that could be operated easily by a wireless local



loop provider.

"We can't look at issues on a case-by-case basis anymore," Kitchen said. "This is not a simple proposition; it is a long-term campaign to make the wireless local loop as common as the embedded infrastructure of today."

PCIA's six talking points—wireless tax reform, interconnec-

tion, infrastructure development, long-term spectrum planning, network coordination and international opportunities—were developed because "the industry is at a crossroads," according to Kitchen, and issues need to be decided as a group. Also, the industry now is ready to make a commitment to building out a truly wireless America, and PCIA itself plans to pledge manpower to accomplish the agenda's goals, including hiring a "well-known" economist to produce a white paper on wireless tax issues scheduled to release on or about April 15.

Regarding that tax relief, Kitchen explained that universal service and other fees are hampering competition, and that Washington, D.C., and the states "have targeted wireless with overly burdensome assessments that add 40 to 50 percent to consumer costs. We are conducting research on the corrosive impact of this." Kitchen pointed to recent developments in Singapore, where the government has lessened the tax burden on wireless carriers in order to allow them to build out their networks. Only after they are up and running

would they be subject to new regulatory fees.

Kitchen wants relief from universal-service fees, and he fears that if more responsibility for that fund is shifted to the federal government from the states, fees will rise.

Interconnection policy also must be revamped, Kitchen said, because "true and fair" interconnection is "the cornerstone of competition." Even though the FCC reiterated its reciprocal compensation position last December, thus giving a boost to wireless carriers that are having trouble with local exchange carriers on that count, the issue still remains to be solved in many states. PCIA also plans to ask the FCC to exert its authority over the pricing of WLL.

"We've only seen the tip of the iceberg on what needs to be changed about interconnection," commented Alan Ciamporcero, PCIA's senior vice president of government relations. "As society and technology changes, it will cause ripples in how hardware, software and agreements work. We want to make sure the FCC sees interconnection as a long-term priority."

There are win/win solutions to be had in the infrastructure-development arena, and PCIA's site search clearinghouse has been working with local governments to make sure their needs and those of the industry can be met "in a reasonable manner." Network coordination, a related issue, still has many hurdles to overcome, especially regarding interoperability. Numbering is one such issue, and PCIA said it is working on plans that include pooling, portability and code overlays.

To reach the goal of parity with wireline networks in 10 or 20 years, long-term spectrum planning that includes high-speed data, Internet access, full-motion video and other enhanced services is necessary to move forward in a competitive atmosphere, Kitchen said. "To do that, PCIA is leading the charge for rational spectrum planning at the FCC, in Congress, at WRC '99," he added. "We must prepare now to ensure that third-generation, and then fourth-generation technologies can be delivered to the market without delays."

Finally, PCIA wants the industry to promote increased international opportunities in order to leapfrog wireline technology in emerging and transitional countries, we need to continue to develop partnerships, and American trade agreements must be favorable to the export of high tech. PCIA will be working with Congress as it considers trade legislation and fast-track authority." In addition, U.S. carriers, especially those offering personal communications services, need to think about getting in sync with the rest of the world to make this aspect of wireless truly global.

"We are anxious to see the World Trade Organization agreements go into effect to foster majority ownership of communications companies in foreign countries," Kitchen said. "Glenayre (Technologies Inc.) opened offices in Singapore just to concentrate on that area."

Beside's PCIA's own membership, which Kitchen said will be "vocal," Kitchen hopes manufacturers, government players and other trade organizations will buy into the effort to promote the agenda.

"PCIA encourages everyone in the wireless industry to join us in promoting the Agenda for a Wireless America," he concluded. "If we are united in working toward these goals, wireless will become the real competitor to the wireline local loop."